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27 February 1987

## BACKGROUND FOR TOWER COMMISSION REPORT

2. SNIE 3-85: Implications of An Oil Price Decline (August 1985), was prepared in response to a request by Admiral Watkins, Chief of Naval Operations, to address his concerns over the availability of oil in the event of war.

The Estimate pointed out that, on balance, substantial benefits would accrue to most of the world from a decline in oil prices and that, even with lower prices, substantial surplus production capacity would exist throughout the decade.

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